

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

DB STRUCTURED PRODUCTS, INC.

Plaintiff,

-against-

BALTIMORE AMERICAN MORTGAGE
CORPORATION, INC.,

Defendant.

07 Civ. 4109 (DLC)(KNF)

**DECLARATION OF JAMES D.
CAMPBELL IN SUPPORT OF
DAMAGES**

I hereby declare pursuant to 28 U.S.C. § 1746:

1. I am employed by DB Structured Products, Inc., plaintiff in the above-captioned matter ("DBSP"), and hold the title of Director. I am fully familiar with all the facts and circumstances heretofore and herein.

2. I submit this affidavit in support of Plaintiff's application for damages in connection with its Default Judgment against Baltimore American Mortgage Corporation, Inc. ("Defendant").

The Agreements

3. On or about July 29, 2004 DBSP and Defendant entered into a Seller Loan Purchase Agreement (the "Agreement"). A copy of the Agreement is attached as Exhibit A to the Declaration of Brendan Zahner dated May 21, 2008 ("Zahner Decl.").

4. Pursuant to the Agreement, Defendant from time to time offered to sell and DBSP agreed to purchase certain mortgage loans ("Mortgage Loans") in accordance with the terms of the Agreement and the Deutsche Bank Correspondent Lending Seller Guide, as amended from time to time (the "Seller Guide"). A true and correct copy of the Seller Guide is attached to the Zahner Decl. as Exhibit D.

Early Payment Default Claim

5. Pursuant to Section 9 of the Agreement and Volume 1 of the Seller Guide, Defendant agreed to repurchase any Mortgage Loan in early payment default, as defined in the Agreement and the Seller Guide.

6. Certain of the Mortgage Loans experienced early payment or early delinquency defaults, as described in the Agreement and the Seller Guide (hereinafter, such Mortgage Loans shall be collectively referred to as "Early Payment Default Loans"). Attached as Exhibit C to the Zahner Decl. is a schedule of the Early Payment Default Loans.

7. Accordingly, pursuant to Section 9 of the Agreement and Volume 1 of the Seller Guide, Defendant was obligated to remit to DBSP the Repurchase Price (as defined in the Seller Guide) with respect to each Early Payment Default Loan.

8. The aggregate Repurchase Price for the Early Payment Default Loans, excluding attorneys' fees and other costs and expenses, is \$1,991,036.86 as of May 21, 2008, as shown on Exhibit C to the Zahner Decl. (the "Early Payment Default Claim"). This amount consists of an unpaid principal balance of \$1,767,732.19, accrued unpaid interest of \$202,878.28 and the premium paid by Plaintiff of \$20,426.39.

Indemnification Claim

9. Pursuant to the Agreement and the Seller Guide, Defendant agreed to indemnify, defend and forever hold harmless DBSP, from and against any and all liabilities, loss, injury or damages, judgments, claims, demands, actions or proceedings, together with all reasonable costs and expenses relating thereto (including but not limited to attorneys' fees) by whomever asserted, relating to Defendant's breach of a representation, warranty, covenant, agreement or obligation of Defendant under the Agreement.

10. Defendant has breached its obligation in the Agreement and in the Seller Guide to repurchase the Early Payment Default Loans from DBSP. As a result, Defendant owes DBSP indemnification for all losses, damages, penalties, fines, forfeitures, legal fees and related costs, judgments and any other costs, fees and expenses that DBSP may sustain.

11. Such damages for which Defendant is obligated to indemnify DBSP include, but are not limited to legal expenses. As more fully described in the *Affidavit of John P. Doherty With Respect to Attorneys' Fees and Costs*, submitted herewith, Defendant's indemnification obligations to DBSP amount to at least \$39,129.49 (the "Indemnification Claim"). Together with the Early Payment Default Claim, DBSP therefore requests entry of a default judgment in the amount of \$2,030,166.35.

I declare under penalty of perjury that the foregoing is true and correct.

By: 
JAMES D. CAMPBELL